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## **Insurance Division lowers rate requests in 50 percent of cases**

### *Oregon's rate review law one of the strongest nationwide*

(Salem) — The Oregon Insurance Division of the Department of Consumer and Business Services has approved lower-than-requested health insurance rates in half of the cases it reviewed in the past 12 months.

The division approved 20 rate changes in the individual and small group health insurance markets it regulates for the year that ended March 31, 2011. On average, the division reduced insurance company requests by 4 percentage points. This resulted in a savings of more than \$25 million for consumers, or just under \$10 per person on a monthly insurance premium.

The analysis was prompted by changes to the state's rate review law, which were passed by the 2009 Legislature and took effect a year ago, in April 2010. The changes made Oregon's rate regulation law among the strongest in the country.

"The division has new tools available and we are using them to carefully scrutinize each and every rate filing to achieve the maximum savings for consumers," said Teresa Miller, Insurance Division administrator. "Having said that, rates must still cover medical claims, which continue to increase and make insurance that much harder for individual and small businesses to afford."

The division reviews health plan rates for employers with 50 or fewer employees and individuals who don't get coverage at work and buy an individual plan directly from an insurance company. About 11 percent of Oregonians have these types of plans.

Changes in the rate review process allow the division to consider more factors in reviewing rates. Starting in April 2010, for example, the division had authority to consider an insurance company's overall profitability when reviewing rates. This was a factor used to lower rates since some Oregon insurers lost money in small business and individual health plan markets but were profitable companywide. In other cases, insurers failed to justify requested amounts.

"Insurers don't always get what they ask for," Miller said. "Even so, state and federal efforts to control medical costs are key to stabilizing insurance costs over the long run."

In 2014, the federal government will provide tax credits and expand Medicaid eligibility so that an estimated 32 million uninsured Americans will gain coverage.

The division posts all rate request documents on its website and consumers have 30 days to comment on a rate filing. For information on how to do this, and to see a chart of recent rate approvals or a fact sheet explaining what health insurance premiums cover, visit: [www.tinyurl.com/orhealthrates](http://www.tinyurl.com/orhealthrates).

Also, the division can notify consumers who want to learn when their insurance company requests a new rate and when the division makes a rate decision. Sign up for e-mail notification at <http://tinyurl.com/3f866y3>. Questions about the rate review process? Contact insurance consumer advocates at 503-947-7984 or 1-888-877-4894 (toll-free).

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